

BIDS AND AWARDS COMMITTEE (BAC)
Resolution No. 21-03-043

RECOMMENDING AN EXECUTION OF FRAMEWORK AGREEMENTS FOR ITEM NO. 1 (SARDINES) AND ITEM NO. 3 (INSTANT COFFEE MIX) AND SECOND FAILURE OF BIDDING FOR ITEM NO. 4 (POWDERED CEREAL DRINKS) FOR THE PROCUREMENT OF RAW MATERIALS FOR THE PRODUCTION OF FAMILY FOOD PACKS THROUGH FRAMEWORK AGREEMENT FOR CY 2021

— ITB No. GOP/20-DSWD-066-A —

(PR Nos. 2020110165, 2020110168, 2020110163 and 2020110166)

WHEREAS, the National Resource and Logistics Management Bureau (NRLMB) of the Department of Social Welfare and Development (DSWD) is in need of a supplier for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021**. Copies of the Purchase Request (PR), Terms of Reference, Project Proposal and Framework Agreement List are hereto attached, marked as **Annexes “A-1”, “A-2”, “A-3”, “A-4”, “B”, “C” and “D”**, respectively, and are made integral parts hereof;

WHEREAS, on 23 December 2020, the Bids and Awards Committee (BAC) issued Resolution No. 20-12-294 declaring failure of bidding for **Item Nos. 2 (Sardines), 3 (Tuna) and 5 (Powdered Cereal)** for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under **ITB No. GOP/20-DSWD-066** because the lone bidder for the said items was declared disqualified. This information was relayed to the NRLMB, being the end-user through a memorandum. Copies of the Resolution No. 20-12-294 and the Memorandum are hereto attached, marked as **Annexes “E” and “F”**, respectively, and are made integral parts hereof;

WHEREAS, on 15 January 2021, the Bids and Awards Committee (BAC) issued Resolution No. 21-01-007 declaring failure of bidding for **Item No. 4 (Instant Coffee)** for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under **ITB No. GOP/20-DSWD-066** because the lone bidder for the said item was declared post-disqualified. A copy of the Resolution No. 21-01-007 is hereto attached, marked as **Annex “G”**, and made an integral part hereof;

WHEREAS, on 1 February 2021, the NRLMB issued Memorandum requesting the BAC to conduct another round of competitive bidding for the following items:

1. Sardines;
2. Tuna; and
3. Powdered Cereals;

A copy of the Memorandum is hereto attached, marked as **Annex “H”**, and made an integral part hereof;

WHEREAS, on 3 February 2021 at 11:30 a.m., a Pre-Procurement Conference was conducted and attended/participated by the end-user and other concerned offices to determine the readiness and other aspects of the procurement project prior to advertisement or issuance of Invitation to Bid. It was also discussed that the Item No. 4 (Instant Coffee) was resulted into failure of bidding, wherein the end-user affirmed that no changes will be made on the technical specification and the fund is still available for the said item. Thus, the BAC agreed to include the Instant Coffee in the conduct of another round of competitive bidding. A copy of the Minutes of Pre-Procurement Conference is hereto attached, marked as **Annex "I"**, and made an integral part hereof;

WHEREAS, on 4 February 2021, the BAC through its Secretariat received a Memorandum from NRLMB relative to the amendment of specification for Tuna particularly on the number of unit per box. A copy of said Memorandum is hereto attached, marked as **Annex "J"**, and made an integral part hereof;

WHEREAS, the DSWD through the Bids and Awards Committee (BAC), posted an Invitation to Bid (ITB) for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under **ITB No. GOP/20-DSWD-066-A** at the Philippine Government Electronic Procurement System (PhilGEPS) and DSWD websites, and at conspicuous places within the DSWD premises starting 5 February 2021. The total Approved Budget for the Contract (ABC) is **Two Hundred Nine Million Eight Hundred Sixty-Nine Thousand Nine Hundred Sixty Pesos and Sixteen Centavos (PhP209,869,960.16)**, classified in accordance with the following items:

Item No.	Particulars	Quantity/Unit	ABC per Item (in Phil. Peso)
1	Sardines	1,795,723 tin	33,975,079.16
2	Tuna	3,833,418 tin	109,635,754.80
3	Instant Coffee Mix	2,941,680 sachet	19,268,004.00
4	Powdered Cereal Drinks	4,746,578 sachet	46,991,122.20
TOTAL ABC			209,869,960.16

Copies of the ITB and proof of postings are hereto attached, marked as **Annexes "K", "L-1", "L-2" and "L-3"** respectively, and are made integral parts hereof;

WHEREAS, the Competitive Bidding Procedure for Goods was adopted in this undertaking pursuant to Republic Act No. 9184 (RA 9184), otherwise known as the Government Procurement Reform Act (GPRA) and its 2016 Revised Implementing Rules and Regulations (IRR);

WHEREAS, on 17 February 2021 at 11:00 a.m., a Pre-Bid Conference was conducted and attended/participated by the following prospective bidders to discuss the specifications and terms and conditions of the contract and other provisions indicated in the bidding documents, to wit:

1. Saiko International Trading Corporation;
2. Nestle Philippines, Inc.;
3. Ramesh Trading Corporation;

4. HLYC Trading;
5. RMUA Consumer Goods Trading;
6. Ground Up Construction & Supply;
7. Inter-Continental Food & Pharma, Inc.;
8. Puregold Price Club, Inc.;
9. Fortune Group Corporation;
10. Scionetrade Corporation;
11. Universal Storefront Services Corporation;
12. Center Point Sales and Trading, Inc.;
13. Blue Macay Food Manufacturing Corporation;
14. Diamond Supply Chain Solutions Corporation; and
15. Asia Pacific Aqua Marine, Inc.

A copy of the Minutes of the Pre-Bid Conference is hereto attached, marked as **Annex "M"**, and made an integral part hereof;

WHEREAS, on 23 February 2021, the BAC issued a Supplemental/Bid Bulletin No. 1 announcing response to the queries/clarifications of the prospective bidders and amendments/changes in the Bidding Documents and posted at the PhilGEPS and DSWD websites and in conspicuous places, which formed part of the Bidding Documents. Copies of the Supplemental/Bid Bulletin No. 1 and proof of postings are hereto attached, marked as **Annexes "N", "O-1", "O-2" and "O-3"** respectively, and are made integral parts hereof;

WHEREAS, in response to the ITB, the following prospective bidders secured a complete set of Bidding Documents upon payment of an applicable fee in accordance with the cost for each item stipulated in the bidding documents:

No.	Bidder's Name	Item No.	Official Receipt No.	Amount (in Phil Peso)
1.	Fortune Group Corp.	1	9336989	25,000.00
2.	Halex Golden Corp.	1, 2, 3 and 4	9337001	115,000.00
3.	Saiko International Trading Corporation	3	9337002	15,000.00
4.	Diamond Supply Chain Solutions Corporation Joint Venture with Ramesh Trading Corporation	1, 2, 3 and 4	9335035	115,000.00
5.	Mighty and Strong Foods Corporation	3	9337003	15,000.00
6.	Scionetrade Corporation	3	9337004	15,000.00
7.	Blue Macay Food Manufacturing Corporation	3 and 4	9337005	40,000.00
8.	HLYC Trading	1, 3 and 4	9337006	65,000.00

Copies of the Official Receipts are hereto attached, marked as **Annexes "P-1", "P-2", "P-3", "P-4", "P-5", "P-6", "P-7" and "P-8"**, respectively, and are made integral parts hereof;

WHEREAS, prior to the deadline for the submission and receipt of bids on 3 March 2021 at 9:00 a.m., the following bidders came to submit their bid proposals:

No.	Bidder's Name	Item No.	Date and Time Received
1.	Blue Macay Food Manufacturing Corporation	3 and 4	2 March 2021 at 4:17 p.m.
2.	Mighty and Strong Foods Corporation	3	2 March 2021 at 4:26 p.m.
3.	Saiko International Trading Corporation	3	3 March 2021 at 7:38 a.m.
4.	Fortune Group Corporation	1	3 March 2021 at 7:57 a.m.
5.	Halex Golden Corporation	1, 2 and 3	3 March 2021 at 8:21 a.m.
6.	Diamond Supply Chain Solutions Corporation Joint Venture with Ramesh Trading Corporation	1, 2, 3 and 4	3 March 2021 at 8:27 a.m.
7.	Scionetrade Corporation	3	3 March 2021 at 8:32 a.m.
8.	HLYC Trading	1, 3 and 4	3 March 2021 at 8:39 a.m.

Copies of the Receipt of Bid Proposal are hereto attached, marked as **Annexes "Q-1", "Q-2", "Q-3", "Q-4", "Q-5", "Q-6", "Q-7", and "Q-8"**, respectively, and made integral parts hereof;

WHEREAS, on 3 March 2021 at 10:30 a.m., during the preliminary examination of the documents submitted by the bidders, the BAC had the following findings:

Name of Bidder	Item No.	Technical Component	Financial Component
Blue Macay Food Manufacturing Corporation	3 and 4	"Failed"	"Remained Unopen"
Mighty and Strong Foods Corporation	3	"Passed"	"Passed"
Saiko International Trading Corporation	3	"Passed"	"Passed"
Fortune Group Corporation	1	"Failed"	"Remained Unopen"
Halex Golden Corporation	1 and 2	"Failed"	"Failed Bid"
	3	"Passed"	"Passed"
Diamond Supply Chain Solutions Corporation Joint Venture with Ramesh Trading Corporation	1	"Passed"	"Passed"
	2, 3 and 4	"Failed"	"Failed Bid"
Scionetrade Corporation	3	"Passed"	"Passed"
HLYC Trading	1, 3 and 4	"Passed"	"Passed"

The BAC declared the bids of the following bidders as **"FAILED"** for their failures to comply with, and be responsive to, the requirements and condition specified in

Footnote No. 2 of Section VII. Technical Specification and Section II. Instruction to Bidders in particular to Letter h of Section VIII. Checklist of Technical and Financial Document of the Bidding Documents.

Name of Bidder	Item No.
Blue Macay Food Manufacturing Corporation	3 and 4
Fortune Group Corporation	1
Halex Golden Corporation	1 and 2
Diamond Supply Chain Solutions Corporation Joint Venture with Ramesh Trading Corporation	2, 3 and 4

The aforementioned bidders failed to indicate the actual/detailed specifications or attached an evidence that will support their compliance for each item they are participating. Copies of the Minutes of Bid Opening and Abstract of Bids “As Read” are hereto attached, marked as **Annexes “R”, “S-1”, and “S-2”**, respectively, and are made integral parts hereof;

WHEREAS, the BAC issued Notices of Disqualification to Halex Golden Corporation and Fortune Group Corporation to formally inform their authorized representatives. Copies of the Notices of Disqualification are hereto attached, marked as **Annexes “T-1”, and “T-2”**, respectively, and are made integral parts hereof;

WHEREAS, on 4 March 2021, the BAC, with the assistance of its Secretariat, conducted the Bid Evaluation of all bids using non-discretionary criteria considering the completeness of the bid and arithmetical correction, if there are computational errors in the bid price submitted by the bidders to determine the Lowest/Single Calculated Bidder (L/SCB) and had the following findings:

Item No.	Bidders Name	Bid Price	Findings/Remarks
1	HLYC Trading	31,155,794.05	Lowest Calculated Bidder
	Diamond Supply Chain Solutions Corporation Joint Venture with Ramesh Trading Corporation	33,939,164.70	2nd
3	Mighty and Strong Food Corporation	11,178,384.00	Lowest Calculated Bidder
	Scionetrade Corporation	14,061,230.40	2nd
	Halex Golden Corporation	17,061,744.00	3rd
	HLYC Trading	18,208,999.20	4th
	Saiko International Trading Corporation	19,238,587.20	5th

Item No.	Bidders Name	Bid Price	Findings/Remarks
4	HLYC Trading	36,928,376.84	Single Calculated Bidder

A copy of the Bid Evaluation Report is hereto attached, marked as **Annex “U”**, and made an integral part hereof;

WHEREAS, for purposes of conducting the Post-Qualification, the BAC requested the following L/SCBs to submit additional documents within five (5) calendar days from receipt of notice from the BAC, pursuant to Section 34.2 of the IRR of RA 9184, to wit:

Name of Bidder	Item No.	Remarks
HLYC Trading	1	LCB
Mighty and Strong Foods Corporation	3	LCB
HLYC Trading	4	SCB

Copies of said Notices are hereto attached, marked as **Annexes “V-1”**, and **“V-2”**, respectively, and are made integral parts hereof;

WHEREAS, the BAC through its Secretariat received a Motion for Reconsideration from Halex Golden Corporation explaining that their bids for Item No. 1 (Sardines) and Item No. 2 (Tuna) cannot be said to have failed to comply with the required actual specifications simply because it failed to include the words ‘Minimum of 10 Beads’ and ‘100 tins per box. Halex Golden Corporation’s specifications under items H & I with the words “COMPLY” would convey its clear message and intention to religiously comply with whatever specifications required by the DSWD. Thus, the failure to include such words is immaterial and is not a legal basis to exclude Halex Golden Corporation from the bidding. A copy of the Motion for Reconsideration is hereto attached, marked as **Annex “W”**, and made an integral part hereof;

WHEREAS, the BAC created a Technical Working Group (TWG), pursuant to Section 12 of the IRR of RA 9184, who will conduct the Post-Qualification of the L/SCBs for Item No. 1 (Sardines), Item No. 3 (Instant Coffee Mix) and Item No. 4 (Powdered Cereal Drinks). A copy of the Memorandum is hereto attached, marked as **Annex “X”**, and made an integral part hereof;

WHEREAS, on 10 March 2021, the BAC in its Regular Meeting, carefully reviewed and deliberated the Motion for Reconsideration of Halex Golden Corporation and resolved to deny the request. Further, the BAC issued a response letter to Halex Golden Corporation informing them that their request for reconsideration was denied. Copies of the Minutes of the Meeting and Response Letter are hereto attached, marked as **Annexes “Y”** and **“Z”**, respectively, and are made integral parts hereof;

WHEREAS, on 12 March 2021, the BAC in its Special Meeting, resolved to declare failure of bidding for Item No. 2 (Tuna) because the bidders for the said item were disqualified. A copy of the Minutes of the Meeting is hereto attached, marked as **Annex “AA”**, and made an integral part hereof;

WHEREAS, on 15 March 2021, the BAC issued Resolution No. 21-03-038, declaring failure of bidding for Item No. 2 (Tuna) for the Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021 under ITB No. GOP/20-DSWD-066-A because the bidders for the said item were disqualified. A copy of said Resolution is hereto attached, marked as **Annex “BB”**, and made an integral part hereof;

WHEREAS, on 22 March 2021, the BAC through its Secretariat received the TWG Post-Qualification report, and found the following finding and recommendations:

ITEM NO.	BIDDER'S NAME	REMARKS	FINDINGS	RECOMMENDATION
1 (Sardines)	HLYC Trading	Lowest Calculated Bidder	RESPONSIVE AND COMPLIANT to the Technical and Financial Component and Post-Qualification Documents	Being RESPONSIVE AND COMPLIANT to the Technical and Financial Component as well as the Post Qualification Documents set by the Procuring Entity, the TWG recommends the award of contract to HLYC TRADING for Item no. 1 (Sardines)
3 (Instant Coffee Mix)	Mighty and Strong Foods Corporation	Lowest Calculated Bidder	RESPONSIVE AND COMPLIANT to the Technical and Financial Component and Post-Qualification Documents	Being RESPONSIVE AND COMPLIANT to the Technical and Financial Component as well as the Post Qualification Documents set by the Procuring Entity, the TWG recommends the award of contract to MIGHTY AND STRONG FOODS CORPORATION for Item No. 3 (Instant Coffee Mix)
4 (Powdered Cereal Drinks)	HLYC Tyrading	Single Calculated Bidder	RESPONSIVE AND COMPLIANT to the Technical and Financial Component.	The bid of HLYC TRADING for Item no. 4 (Powdered Cereal Drinks) was



			<p>HLYC Trading is a dealer from a One-Stop Grocery Commercial Corporation. However, the document submitted to guarantee acquisition of the product offered without prejudice to the volume of the order is not compliant with the end-user's requirements.</p> <p>Upon careful evaluation, HLYC Trading is not responsive with the Post-Qualification documents.</p>	<p>found Compliant with the Technical and Financial Component but not responsive with the Post Qualification Documents.</p>
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A copy of the TWG Post-Qualification Report is hereto attached, marked as **Annex "CC"**, and made an integral part hereof;

WHEREAS, on 24 March 2021, the BAC in its Regular Meeting, carefully reviewed and deliberated the TWG Post-Qualification Report and resolved to declare the following bidders as responsive:

Item No.	Bidder's Name
1 (Sardines)	HLYC Trading
3 (Instant Coffee Mix)	Mighty and Strong Foods Corporation

Further, the BAC resolved to declare HLYC Trading as Non-responsive and Post-Disqualified for Item No. 4 (Powdered Cereal Drinks) for failure to submit the required Post-Qualification Documents as stated in ITB Clause 20.2 of Section III. Bid Data Sheet of the Bidding Documents. Copies of the Minutes of the Meeting and Notice of Post-Disqualification are hereto attached, marked as **Annexes "DD"** and **"EE"**, respectively, and are made integral parts hereof;

NOW, THEREFORE, in view of the foregoing and on the basis of the documents presented, we, the Bids and Awards Committee, resolves as it is hereby resolved to recommend the following:

1. Execute Framework Agreement for the items for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under **ITB No. GOP/20-DSWD-066-A** to the following Lowest Calculated and Responsive Bidders (LCRBs), to wit:

Item No.	Supplier's Name	Unit Price (in Phil. Peso, inclusive of applicable taxes)	Remarks
1 (Sardines)	HLYC Trading	17.35/tin	LCRB
3 (Instant Coffee Mix)	Mighty and Strong Foods Corporation	3.80/sachet	LCRB

The Contract Duration is from receipt of Notice to Proceed (NTP) until 31 December 2021, or upon consumption of the total quantity for each item indicated in the Framework Agreement List, whichever comes first.

2. Declare second (2nd) failure of bidding for **Item No. 4 (Powdered Cereal Drinks)** for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under **ITB No. GOP/20-DSWD-066-A** because the Single Calculated Bidder for the said item were Post-Disqualified;
3. Advise the end-user **to conduct a mandatory review and evaluation** of the terms, conditions and specifications in the Bidding Documents, including the cost estimates to determine the reason for the failed bidding pursuant to Section 35.2 of the RA 9184 and **check the sources of fund if it still available**, prior to conduct another round of procurement; and
4. Adopt Section. 10 Competitive Bidding on the next round of procurement process;

RESOLVED, this 24th day of **March 2021** at Quezon City, Philippines.

ATTY. SITTIE RAIFAH M. PAMALAY-HASSAN
Officer-in-Charge, Legal Service
Regular Member

ATTY. MARIA CASSANDRA M. URBIZONDO
Attorney V, Legal Service
Alternate Member

ERNESTINA Z. SOLLOSO
Director III, Pantawid Pamilyang Pilipino Program
Regular Member



FELIX M. ARMEÑA
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MARK ALLAN JAY G. YAMBAO*
Undersecretary for Special Projects
Regular Member

EMMANUEL P. PRIVADO
Director IV, National Resource and Logistics Management Bureau
Alternate Member

[Signature]
RENE GLEN O. PAJE
Undersecretary for Inclusive and Sustainable Peace
 Chairperson

[Signature]
EMMANUEL P. PRIVADO
Director IV, National Resource and Logistics Management Bureau
 Provisional Member

Approved () **Disapproved**

[Signature]
ROLANDO JOSELITO D. BAUTISTA
 Secretary, Department of Social Welfare and Development
 (Head of the Procuring Entity/Authorized Representative)

**Designated as Vice-Chairperson in the absence of the Chairperson*

SUBJECT : BIDS AND AWARDS COMMITTEE (BAC)
 Resolution No. 21-03-043

RECOMMENDING FAILURE OF BIDDING FOR ITEM NO. 4 (POWDERED CEREAL DRINKS) AND EXECUTION OF FRAMEWORK AGREEMENTS FOR ITEM NO. 1 (SARDINES) AND ITEM NO. 3 (INSTANT COFFEE MIX) FOR THE PROCUREMENT OF RAW MATERIALS FOR THE PRODUCTION OF FAMILY FOOD PACKS THROUGH FRAMEWORK AGREEMENT FOR CY 2021

DATE : 24 March 2021

Recommendation/s :

1. Execute Framework Agreement for the following items for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under ITB No. **GOP/20-DSWD-066-A** to the Lowest Calculated and Responsive Bidders (LCRBs), to wit:

Item No.	Supplier's Name	Unit Price (in Phil. Peso, inclusive of applicable taxes)	Remarks
1 (Sardines)	HLYC Trading	17.35/tin	LCRB
3 (Instant Coffee Mix)	Mighty and Strong Foods Corporation	3.80/sachet	LCRB

The Contract Duration is from receipt of Notice to Proceed (NTP) until 31 December 2021, or upon consumption of the total quantity for each item indicated in the Framework Agreement List, whichever comes first.

2. Declare Second (2nd) failure of bidding for **Item No. 4 (Powdered Cereal Drinks)** for the **Procurement of Raw Materials for the Production of Family Food Packs Through Framework Agreement for CY 2021** under ITB No. **GOP/20-DSWD-066-A** because the Single Calculated Bidder for the said item were Post-Disqualified;
3. Advise the end-user to **conduct a mandatory review and evaluation** of the terms, conditions and specifications in the Bidding Documents, including the cost estimates to determine the reason for the failed bidding pursuant to Section 35.2 of the RA 9184 and **check the sources of fund if it still available**, prior to conduct another round of procurement; and
4. Adopt Section. 10 Competitive Bidding on the next round of procurement process;